

108TH CONGRESS
1ST SESSION

S. 234

To provide that members of the Armed Forces performing services on the Island of Diego Garcia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 29, 2003

Ms. LANDRIEU introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide that members of the Armed Forces performing services on the Island of Diego Garcia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. AVAILABILITY OF CERTAIN TAX BENEFITS FOR**
2 **MEMBERS OF THE ARMED FORCES PER-**
3 **FORMING SERVICES ON THE ISLAND OF**
4 **DIEGO GARCIA.**

5 (a) GENERAL RULE.—In the case of a member of the
6 Armed Forces of the United States who is entitled to spe-
7 cial pay under section 310 of title 37, United States Code
8 (relating to special pay: duty subject to hostile fire or im-
9 minent danger), for services performed on the Island of
10 Diego Garcia as part of Operation Enduring Freedom (or
11 any successor operation), such member shall be treated
12 in the same manner as if such services were in a combat
13 zone (as determined under section 112 of the Internal
14 Revenue Code of 1986) for purposes of the following provi-
15 sions of such Code:

16 (1) Section 2(a)(3) (relating to special rule
17 where deceased spouse was in missing status).

18 (2) Section 112 (relating to the exclusion of
19 certain combat pay of members of the Armed
20 Forces).

21 (3) Section 692 (relating to income taxes of
22 members of Armed Forces on death).

23 (4) Section 2201 (relating to members of the
24 Armed Forces dying in combat zone or by reason of
25 combat-zone-incurred wounds, etc.).

1 (5) Section 3401(a)(1) (defining wages relating
2 to combat pay for members of the Armed Forces).

3 (6) Section 4253(d) (relating to the taxation of
4 phone service originating from a combat zone from
5 members of the Armed Forces).

6 (7) Section 6013(f)(1) (relating to joint return
7 where individual is in missing status).

8 (8) Section 7508 (relating to time for per-
9 forming certain acts postponed by reason of service
10 in combat zone).

11 (b) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), this section shall take effect on Sep-
14 tember 11, 2001.

15 (2) WITHHOLDING.—Subsection (a)(5) shall
16 apply to remuneration paid after September 10,
17 2001.

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